

## **ABCs of Medicare Part D**

**Satellite Conference  
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Produced by the Alabama Department of Public Health  
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## **Overview**

- **ABCs of Medicare**
- **Impact on Dual Eligibles**
- **Low-Income Assistance**
- **Considerations & Resources**
- **Questions & Answers with Panelists**

## **Medicare Basics**

- **Part A**
- **Part B**
- **Part C (Medicare Advantage)**
- **Part D**

## **Discount Card Program**

**Temporary program  
Discounts only (not a benefit)  
Cards still an option for savings  
Phase-out begins December 31, 2005**

- **Drug benefit begins as early as January 2006**
- **Cards effective until May 2006 or when a beneficiary enrolls in prescription drug plan**

### **Prescription Drug Benefit**

- Available to everyone with Medicare
- Medicare contracts w/ private companies
- Benefits begin as early as January 2006
- Financial aid is available through the Social Security administration (income restrictions apply)

### **Eligibility and Enrollment**

- Entitled to Part A and/or enrolled in Part B
- Must reside in plan's service area
- Program is voluntary (for most)
- Must enroll with the drug plan
- There is a fee associated with enrollment

### **Initial Enrollment Period**

- Nov 15, 2005 to May 15, 2006
- For everyone else, similar to the initial enrollment period for Part B
- Penalty of 1% per month added to the monthly premium if
  - enrollment is delayed and
  - beneficiary is without "creditable coverage"

### **Example Of Standard Prescription Drug Coverage**

- Estimated \$32 monthly premium
- \$250 deductible
- Coinsurance of 25% of drug costs from \$250 to \$2,250 (total drug spending)

### **Example Of Standard Prescription Drug Coverage**

- Coverage gap from \$2,250 to \$5,100
  - Beneficiary pays 100% of drug costs
- Catastrophic coverage after \$5,100 (\$3,600 in out-of-pocket costs)
  - Beneficiary pays only 5% of drug costs

### **Dual Eligibles**

- Enrollment is mandatory
- Medicaid stops paying for [most] prescription drugs after December 31, 2005
- Automatically "deemed" eligible for subsidy
  - No premiums
  - No coverage gap (donut hole)
  - No deductible
  - Co-pays (\$1/\$3)

### **Dual Eligibles**

- Auto-enrolled in plans if no decision is made
- MEDICAID should not be contacted regarding Part D
- Special enrollment period (continuous)
- Persons receiving Medicaid only will see no change in their benefits

### **Dual Eligibles (In Nursing Homes)**

- Medicaid stops paying for [most] prescription drugs after December 31, 2005
- Enrollment in Part D is mandatory
- Automatically “deemed” eligible for subsidy
  - No premiums, deductibles, co-pays or donut hole

### **Dual Eligibles (In Nursing Homes)**

- Auto-enrolled, can change plans at any time
- Contact your pharmacy provider with questions
- Info is still developing on this subject

### **Medicare Savings Program Enrollees (QMB, SLMB, QI-1) < 135% FPL**

- “Deemed” eligible for subsidy
  - Benefits similar to duals, except co-pays \$2/\$5
- Enrollment will be “facilitated”
  - Auto-enrolled if no decision made by May 15, 2006

### **Medicare Savings Program Enrollees (QMB, SLMB, QI-1) < 135% FPL**

- If not enrolled in a MSP, but eligible
  - Should apply for a MSP through Medicaid, then will be deemed eligible for subsidy
  - No new enrollments in QI this year (2005) in Alabama

### **Medicare Savings Program Enrollees (QMB, SLMB, QI-1) < 135% FPL**

- Continuous enrollment period
- Medicaid has no asset test for the MSPs in Alabama

### **Low-Income Assistance**

- “Extra help” (in the form of subsidies) is available for persons with limited incomes and assets
- There are sub-groups within the low-income group
- Level of help varies

### **Low-Income Beneficiaries With Limited Resources**

(≤135%-150% FPL & resources <10K)

- Two steps
  - APPLY for the subsidy
  - ENROLL in a drug plan to receive benefits
- Reduced or no premium
- Reduced deductible (\$50) or no deductible at all

### **Low-Income Beneficiaries With Limited Resources** (≤135%-150% FPL & resources <10K)

- Lesser co-insurance or co-pays
- No coverage gap
- Better catastrophic coverage
  - \$2/\$5 co-pays after \$5,100 in drug costs reached

### **Considerations**

- Many variables
  - Many plans
  - Formularies vary
  - Excluded drugs
  - Other coverage/benefits may be affected
  - Pharmacy participation varies

### **Considerations**

- Beneficiaries have many responsibilities
- Many unknowns
- Constant evolution

### **Resources**

- Medicare - 24/7
  - 1-800-MEDICARE
  - [www.medicare.gov](http://www.medicare.gov)
  - [www.cms.hhs.gov](http://www.cms.hhs.gov)
- Social Security - “extra help”
  - 1-800-772-1213
  - [www.ssa.gov](http://www.ssa.gov)

## **Resources**

- **SHIP - Medicare Counselors**
  - [www.shiptalk.org](http://www.shiptalk.org)
- **Area Agencies on Aging**
  - 1-800-AGE-LINE (in Alabama)
  - [www.aoa.gov](http://www.aoa.gov) (outside Alabama)